

BALLOT QUESTION NO. 1

Shall 46.5 acres of City-owned land located on the northeasterly perimeter of the Boulder Creek Golf Course be offered and sold for residential development, in compliance with the City's growth control management plan, for not more than ninety (90) single-family residential home sites with varying lot sizes, the minimum of which shall be 10,000 square feet, and authorize expenditures from the Capital Improvement Fund of up to \$20 million, the first expenditure of which will be in an amount sufficient to defease the revenue bonds issued in connection with construction of Boulder Creek Golf Club, the second expenditure of which shall be used to repay the equipment lease in the amount of not more than \$1,823,070 for equipment acquired to maintain the Boulder Creek Golf Club, and all the remaining funds to be applied to the reduction of the utility fund transfer used for construction of the Boulder Creek Golf Club?

Yes ☐

No ☐

EXPLANATION

With regard to City-owned land, Section 140 of the Boulder City Charter provides that "any sales or disposition of parcels of more than one acre must be approved by the registered voters of the City at an election held in conjunction and in accordance with the election as required by Article XV, Section 143 of the Boulder City Charter." Section 142 of the Charter requires that subject to certain exceptions, the proceeds of all sales of real estate "shall be placed in a special fund, hereinafter referred to as the Capital Improvement Fund." Section 143 of the Charter requires that "all expenditures from the Capital Improvement Fund must be approved by a simple majority of the votes cast by the registered voters of the City on a proposition placed before them in a special election or primary or general Municipal election or primary or general State election."

A "YES" vote would allow the City to sell 46.5 acres of City-owned land, located on the northeasterly perimeter (south of Adams Boulevard, west of Bristlecone Drive and south of Gingerwood Parkway) around the Boulder Creek Golf Course for the purpose of single-family residential home development. No duplexes, town homes, condominiums, apartments, or any other type of multi-family residence will be allowed in this development. In conjunction therewith, any money generated from such land sales shall be used exclusively to retire capital debt now outstanding against the Boulder Creek Golf Course. All of this will be accomplished in strict compliance with the City's growth control management plan, which will allow no more than 120 single-family homes to be built in any one year, of which no more than 30 homes can be built in each year by any one developer. The retirement of said capital debt will occur as follows: First, the revenue bonds issued in connection with the construction of Boulder Creek Golf Club will have sufficient funds placed into an interest-bearing escrow account for payment of the bond obligation as it comes due (defeased). Second, the capital lease utilized to acquire maintenance equipment for the Boulder Creek Golf Club will be paid in full. Finally, the remaining funds will be used to reimburse the Utility fund for monies transferred toward the construction of Boulder Creek Golf Club.

If approved by the voters, the City would seek proposals from qualified developers for the development of an upscale single-family residential subdivision containing no more than ninety (90) homes with varying lot sizes of at least 10,000 square feet. The City will retain the right to architectural controls, approval of view corridors and roadside landscaping, control of off-site improvements and point of access to the property. The Purchaser will be required to enter into a Development Agreement with the City defining the development project and respective rights and responsibilities. All monies derived from the sale of this property will be used exclusively to retire the capital debt now outstanding against the Boulder Creek Golf Course and for no other purpose.

A "NO" vote would not allow the City to sell the identified land and thereby would not allow funds to be expended from the Capital Improvement Fund to retire capital debt now outstanding against the Boulder Creek Golf Course.

ARGUMENT ADVOCATING PASSAGE

Voting "yes" will allow Boulder City to sell 46.5 acres of land adjacent to Boulder Creek Golf Club and use the proceeds to defease (set aside money to pay the debt) the city's \$9.5 million bond obligation and to pay off the September, 2005, balance of \$1.82 million equipment lease-purchase agreement. Remaining sale revenue will be applied toward the \$8.7 million advance from the Boulder City Utility Fund.

The land is within the Boulder City Redevelopment boundaries and therefore 100% of the property tax revenue (the same amount applied to all properties) will be returned to our community. It will not be distributed to the state, county or any other agency, but remains in Boulder City.

This land meets the requirements of the Boulder City Master Plan adopted in December 2003 and is ideal for low-density residential dwellings. Demographics from the 2000 census applied to 90 single-family dwellings would indicate 250 people would be added to the city's population. This projected 1.67% increase over a 3 year period is well below the annual growth cap of 3%, in line with the growth rate of 1.76% since 1990 and would only add a maximum of 5 students per grade to our schools. The addition of these residents will not cause an undue burden to the city's resources.

In accordance with Nevada Revised Statutes, the Boulder City Charter and the Request for Proposal and open bidding process, the city retains control over the selection of the land purchaser and character of development. The development must be in accordance with Title 11, Chapter 41 of the Boulder City Code, limiting construction to 120 dwelling units per construction year and any single developer to 30 units per year. The people of Boulder City will have at least three opportunities to review and comment on the development plans in open meetings before any construction begins.

Reducing our debt and debt costs and increasing tax revenues are benefits that our community will realize with a "yes" vote.

Vote "YES".

The above argument was submitted by the Ballot Question Committee as provided for in NRS 295.217

ARGUMENT OPPOSING PASSAGE

This land sale is the wrong decision at the wrong time for the wrong reasons. Vote NO.

A vote for this land sale could result in losing millions in future land appreciation value; will do nothing to stop the potential accumulation of millions in operating losses and capital expenditures at the Boulder Creek Golf Club; may cost taxpayers higher fees and taxes; and may run contrary to the spirit and intent of certain aspects of the Growth Control Ordinance.

Selling land in an area that has been appreciating at 10-15% per year and investing the proceeds at only 4-5% to pay off bonds that are not due until 2024 is a wrong investment decision.

Boulder Creek has lost millions since it opened. The land sale will do nothing to stop the continuing operating losses and capital expenses at the Boulder Creek Golf Club and may even make it worse if golfers avoid the course during years of construction. Tax payers may be forced to indefinitely subsidize the losses so a few people can live along this golf course.

This land sale may cause additional annual General Fund expenses for Boulder City. Since this land is in a Redevelopment Zone, property taxes from the new homes would not be available to pay for essential fire, police, schools and streets. In addition to the operating losses at the golf course, the taxpayers may have to pay increased fees and other taxes to make up the shortfalls.

As an alternative to the land sale, the Boulder Creek Golf Course could close 9 of 27 holes to save maintenance and capital expenses. If additional funds are needed in the future, Boulder City could sell a variety of lots in non-Redevelopment Zones that comply with the Growth Control Ordinance. These sales would generate new tax revenues offsetting new expenses, thus, meeting the future needs of all citizens instead of just a few.

This land sale would set a precedent of selling land to solve financial problems created by poor decisions and undermine fiscal responsibility. The use of land sales to retire debt may even subject Boulder City to a court challenge alleging violation of the City Charter regarding use of Capital Improvement Funds. Voters rejected this same sale at the last election.

Selling the land is the worst possible approach to solving the problems of the Boulder Creek Golf Club. VOTE NO.

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REBUTTAL TO ARGUMENT OPPOSING PASSAGE

Land values are not guaranteed. They may increase 10-15%, level off or even decrease with adjustments in interest rates or market changes. We can't predict the future.

The interest cost for the Revenue Bonds is over 5% annually, which comes directly from our General Fund. It makes sense to invest \$9.5 million, earning interest to offset all or part of these costs.

This land sale is not about eliminating operating costs at Boulder Creek.

These issues can always be debated. Our community must deal with our \$20 million debt. Let us learn from our past decisions and move forward.

Your vote will answer this very important question: Do we the citizens of Boulder City want to reduce the \$20+ million dollar debt and associated costs, or do we want to continue to support this debt into the future?

We urge you to vote "YES" on this ballot question.

The above argument was submitted by the Ballot Question Committee as provided for in NRS 295.217

REBUTTAL TO ARGUMENT ADVOCATING PASSAGE

Setting aside money now by selling land increasing in value to pay off debt not due until 2024 makes no sense. The City has already budgeted payment of the debt for the next several years, so there is no need or benefit to sell the land now.

This land sale would add a burden to the taxpayers. Boulder City schools spend \$5,700 per student. Boulder City spends \$1,500 per citizen providing essential services. Together these costs could add over \$700,000 in new annual expenses.

This measure dictates the development, and once it is passed, the public will have no further control. The sale may also obligate continued operation and subsidy of the Golf Course regardless of losses.

The land sale will do nothing to stop the losses at BCGC. There is a better way. Vote No.

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FISCAL NOTE

The proposed expenditures from the Capital Improvement Fund to retire capital debt at the Boulder Creek Golf Club will have no fiscal impact on the Capital Improvement Fund. Only the net proceeds generated by the land sale will be used to retire the outstanding capital obligations at the Boulder Creek Golf Club leaving funds now existing in the Capital Improvement Fund available for other worthy purposes.